



UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL 16 2004

COMPTROLLER

The Honorable Duncan Hunter
Chairman, Committee on Armed Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The Department of the Navy is pursuing a multiyear procurement (MYP) for the Tactical Tomahawk Cruise Missile (Block IV All-Up-Round (AUR)) Fiscal Year (FY) 2004 through FY 2008, as authorized in the Department of Defense Appropriations Act for FY 2004 (P.L. 108-87) and the Department of Defense Authorization Act for FY 2004 (P.L. 108-136).

Section 2306b(i)(1)(A) of Title 10, United States Code, requires the Secretary of Defense to certify to Congress that the current Future Years Defense Program (FYDP) fully funds the support costs associated with the MYP. The Secretary of Defense has delegated that authority to me. I certify that the current FYDP fully funds the support costs associated with the Tactical Tomahawk Cruise Missile (Block IV AUR) MYP.

Section 2306b(l)(1)(A) and section 2306b(l)(1)(B)(i)(II) of Title 10, United States Code, require the Secretary of Defense to notify Congress that the contract includes an unfunded contingent liability in excess of \$20M in any one year. The cancellation ceiling includes recurring costs, which were approved by the Secretary of the Navy and me. Funding is not presently available or planned for these cancellation ceilings. I have determined that the unfunded cancellation ceilings are warranted in this procurement.

A similar letter is being sent to the Speaker of the House, President of the Senate, and the Chairmen and Ranking Members of the other congressional defense committees.

Sincerely,


Lawrence J. Lanzetta
Acting

cc: The Honorable Ike Skelton
Ranking Member